

**KONAMI**

# Fiscal 2023 Konami Group Interim Report

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April 1, 2022 – September 30, 2022

KONAMI GROUP CORPORATION

# To Our Shareholders

I sincerely hope that this report finds our shareholders happy and in good health.

I would like to express my genuine appreciation for your continued and generous support.

From July 1, 2022, we changed our trade name to KONAMI GROUP CORPORATION. Since its establishment in March 1973, KONAMI has expanded its business as a pioneer in the Japanese entertainment industry and now operates in four business segments: Digital Entertainment, Amusement, Gaming & Systems, and Sports. This change in trade name incorporates the determination of KONAMI group companies, at the major milestone of the 50th anniversary since our establishment, to work together going forward in order to take on new challenges, with the aim of achieving further growth as a sustainable company. Please continue to follow the KONAMI Group's activities over the next 50 years.

To realize this medium- to long-term growth, it is vital that we acquire capable personnel and prepare an R&D environment of the highest standard, enabling creators to demonstrate their best performance. From this perspective, we have decided to construct a next-generation R&D center (Konami Creative Front Tokyo Bay) in Ariake, Tokyo. Construction of this facility began in October 2022. Our competitiveness will be reinforced through the completion of this new office in 2025, which takes into account different workstyles during this era of new normal, investment in human capital, and implementation of health management.

The R&D area we pursue is closely linked to next-generation technology and services such as artificial intelligence (AI), fifth and sixth generation mobile communications (5G/6G), virtual and augmented reality (VR/AR), non-fungible tokens (NFTs), WEB3, and the metaverse. The field of entertainment business and its potential continues to expand due to factors including the advancement of electronics such as mobile devices and console games, and new distribution platforms that utilize cloud technology. Accordingly, business in the Digital Entertainment

field has truly become an opportunity for significant growth.

In the field of Sports, there has been an increasing need for services aimed at children, such as swimming schools, in an aging society, and we are fully utilizing the assets and facilities at our integrated fitness clubs to cater for a wide range of ages. Amid the idea that the achievement of wellbeing is a major issue in a sustainable society, maintaining health through exercise holds a key social significance and KONAMI's role and level of responsibility in providing this are also increasing.

In such an environment, and as a group that provides products and services in both Entertainment and Sports, our target business markets are showing significant growth. Please look forward to the KONAMI Group's further development in the future.

Furthermore, the interim dividend for fiscal 2022 will be ¥62.0 per share, an increase of ¥25.5 compared to the previous fiscal year. This interim dividend is a record high and we will strive to further increase dividends and realize improved business performance through investment essential for future growth.

As we work toward this goal, we would like to ask for the continued support of all of our shareholders.

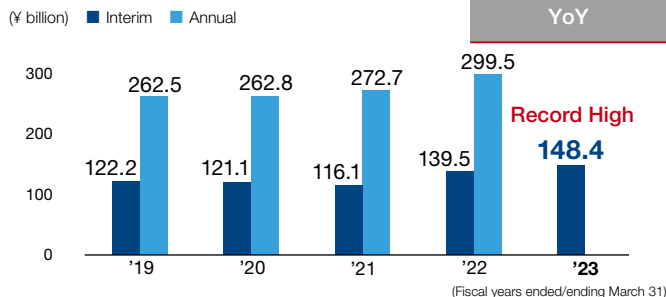


**Kimihiko Higashio**  
Representative Director, President

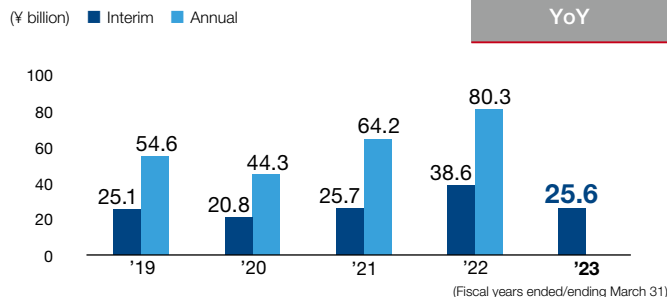
# Consolidated Financial Highlights

Note: Figures are in accordance with International Financial Reporting Standards (IFRS).

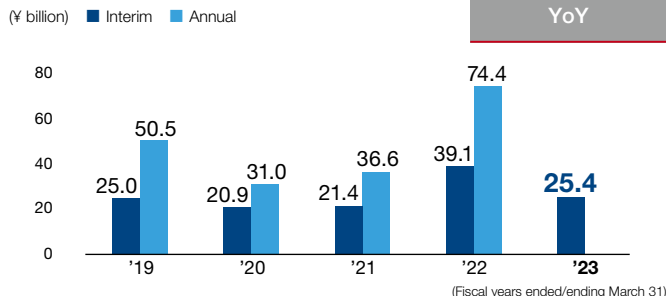
## Total Revenue



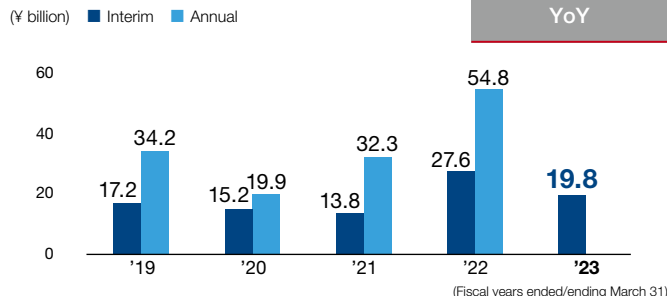
## Business Profit



## Operating Profit



## Profit Attributable to Owners of the Parent



In terms of the consolidated results for the six-month period ended September 30, 2022, total revenue amounted to ¥148,359 million (a year-on-year increase of 6.4%), business profit was ¥25,611 million (a year-on-year decrease of 33.7%), operating profit was ¥25,396 million (a year-on-year decrease of 35.1%), profit before income taxes was ¥27,479 million (a year-on-year decrease of 28.9%), and profit attributable to owners of the parent was ¥19,847 million (a year-on-year decrease of 28.0%).

In the Digital Entertainment Business, as a new initiative, we have started distributing "eFootball™ 2023" on multiple devices, which features the pursuit of improved playability and the addition of new usable teams and players. We have also begun distribution of the mobile game "Yu-Gi-Oh! CROSS DUEL," a card game with new sensations in which four players can play simultaneously. Furthermore, in terms of ongoing initiatives, "PROFESSIONAL BASEBALL SPIRITS A (Ace)" and "Yu-Gi-Oh! MASTER DUEL" have progressed steadily. In card games, sales of Yu-Gi-Oh! TRADING CARD GAME grew globally, and a synergistic effect has been created in overall Yu-Gi-Oh! content with the addition of customers who have been newly brought in by "Yu-Gi-Oh! MASTER DUEL" and customers who have started playing again. In the eSports space, we held the "eFootball™ Championship Open 2022," an event in which all players could participate to determine the No. 1 player for each platform. This event was a great success.

In the Amusement Business, we held an event for MAH-JONG FIGHT CLUB Extreme, part of our video games that are targeted at amusement facilities. This event included a vote where each player selected the professional mahjong player who evoked the 20th anniversary of the series. Konasute, a service for players to enjoy arcade games on their PC and smartphone, also showed a solid performance continuously.

In the Gaming & Systems' slot machine business, the DIMENSION series continues to attract the attention of customers in the North American and Australian markets, where the series have won multiple awards. In gaming content, All Aboard™ has been one of the industry's top performers for almost two years. In the casino management system, we introduced a variety of functionality that will enhance and strengthen our product appeal, including Money Klip™ for cashless casinos, which maintained a strong performance.

In the Sports Business, we have worked to provide safe and secure opportunities for exercise, including enhancement of online services in addition to providing services at facilities. Additionally, regarding the operation of outsourced facilities, we leveraged our previously developed operational and leadership expertise, as well as our accomplishments, and began contracted operations of new sports facilities and school swimming classes. At "Undo Juku" exercise classes aimed at children, we continue to provide "Undo Juku Digital Note," a digital service that uses images and AI.

For more detailed financial data, please visit the Financial Information page on the KONAMI website.

<https://www.konami.com/ir/en/ir-data/>

# Topics

## Digital Entertainment



### Introducing Numerous New Initiatives for Popular IP Exhibiting at Tokyo Game Show 2022

KONAMI participated in Tokyo Game Show 2022, the largest game exhibition in Japan, which was held in September. Visitors could experience various content, including “Yu-Gi-Oh! MASTER DUEL,” the digital card game released in January; the new “Yu-Gi-Oh! CROSS DUEL,” which was released in September; and “SUPER BOMBERMAN R 2,” which is scheduled for release in 2023.

Furthermore, we announced “Suikoden I&II HD Remaster” for the Suikoden series, which has been loved by players since 1995, as a new initiative to utilize KONAMI’s popular IP. The announcement to utilize the Momotaro Dentetsu series, which is loved by many generations, in the educational field by creating “Momotaro Dentetsu: Educational Edition Lite” also received great praise. The game, scheduled to be distributed to educational institutions starting 2023, enables students to study geography and economics by enjoying board game-style video games on PCs and tablets.

We will continue to develop a wide variety of content to share KONAMI’s appeal to even more customers.

## Amusement



### Fusion of esports and Music Held Once Again Launch of BEMANI PRO LEAGUE -SEASON 2-

BEMANI PRO LEAGUE -SEASON 2-, the rhythm game esports tournament held by KONAMI, is bringing even more excitement than in 2021, with more participating teams and additional titles.

KONAMI's representative rhythm game “beatmania IIDX” appeared for the second consecutive year, and the fierce matches from eight participating teams and splendid live performances from various artists were uploaded to our official YouTube channel. The final match was held as the live event “BEMANI PRO LEAGUE -SEASON 2- × EDP 2022,” both in front of a live audience at Tokyo Dome PRISM HALL and streamed online. This combination of esports and music delivered a new sense of entertainment.

Future events will include a “SOUND VOLTEX” category, a game that has a strong following among young people and celebrated 10 years of operation in January 2022, and a “DanceDanceRevolution” category, a globally popular dance game. We will continue to deliver amusing and fun KONAMI titles that even more customers will enjoy playing and watching.

## Gaming & Systems



### Introducing Products from Slots to State-of-the-art Systems Exhibiting at Global Gaming Expo 2022

KONAMI exhibited at the Global Gaming Expo (G2E) 2022, one of the industry's largest trade shows, held this October in Las Vegas.

On display were gaming machines with highly anticipated new game titles such as *Lucky Drums*™, with multi-level progressive prizes on our core cabinet *DIMENSION 49*™, and the popular *All Aboard*™ multi-game edition, which is available exclusively on the curved 75-inch big-screen *DIMENSION 75C*™. We also offered live demonstrations of the award-winning SYNKROS® casino management system. Additionally, we introduced content for our focus areas, such as Historical Horse Racing (HHR) that utilizes data from past horse racing results, New York Lottery Video Lottery Terminals (VLT), and Class II's placed in tribal casinos, which attracted stakeholders in the growth sector.

KONAMI will continue to develop creative products and bring new entertainment to the world.

## Sports



# Pilates Mirror

by Konami Sports Club



<https://www.konami.com/sportsclub/pilatesmirror/>

©Konami Sports

### Women's Only Pilates Studio Second Pilates Mirror Studio Opens in Kichijoji

In August 2022, Konami Sports opened its second women's only Pilates studio, Pilates Mirror, in Kichijoji, Tokyo. This studio, in addition to the highly popular flagship studio that opened in Futako-Tamagawa, Tokyo, in June 2021, has been well received by many customers.

Pilates Mirror is a studio that combines Pilates, which is effective at correcting body lines and posture, with mirrors for checking the movements of your body. This means that even beginners can learn the correct form by using specialized equipment, such as reformers, and mirrors. Lessons are 30 minutes long and customers can take part easily, without worrying about bags or a change of clothes. They can effectively exercise with detailed support from instructors through small class sizes and the use of reformers and mirrors.

We will make Pilates Mirror, which can nurture physical and mental health while participants have fun, available to even more customers by continuing to increase the number of studios, such as opening a third one in Sakura-shinmachi, Tokyo, in December 2022.

# Construction Starts for Konami Group's Next Generation R&D Center "Konami Creative Front Tokyo Bay"

March 2023 marks the 50th anniversary since KONAMI's establishment. In the course of our growth over the past half century, we have established numerous offices around the world. In order to achieve further sustainable growth, we have begun the construction of "Konami Creative Front Tokyo Bay" at Ariake, Koto-ku, Tokyo, as the next-generation R&D center for Konami Group.

"Creative Front" comes from the concept that the space is designed to allow creators to maximize their potential and that this is the front line in facing creativity. "Konami Creative Front Tokyo Bay" will have cutting-edge design plans based on concepts derived from discussions by creators, which

also respond to work and office life after COVID-19.

"Konami Creative Front Tokyo Bay" will expand our R&D capabilities for innovative technologies and services such as WEB3 and the metaverse, centered around our Digital Entertainment business, thereby strengthening our competitiveness.

On top of the environment necessary for the latest R&D, the project will also embrace multiuse facilities, including shops and studios for broadcasting/streaming events such as esports, with the aim to promote "International Convention Zone Ariake," housing facilities such as Tokyo Big Sight, worldwide and create a lively atmosphere for the entire neighborhood.

## KONAMI CREATIVE FRONT T O K Y O B A Y



Conceptual Rendering of Konami Creative Front Tokyo Bay



Conceptual Rendering of the Rooftop Garden



Conceptual Rendering of Employee Café and Dining Area



Conceptual Rendering of Office Space

Office space at "Konami Creative Front Tokyo Bay" will feature a spiral structure connecting all the floors as a means to encourage spontaneous communication, which will lead to ideas and innovations.

The rooftop garden, with a sense of openness aiming to greenify the building, and the studios equipped with state-of-the-art devices will further support imagination in the creation of products and services.

"Konami Creative Front Tokyo Bay" is scheduled to be completed in 2025.

With "Konami Creative Front Tokyo Bay" as the new base, we will continue to strengthen our product and service development capabilities to ride the crest of the next generation's wave and aim for sustainable growth in the coming 50 years.

Plan Overview	
Name of Facility	Konami Creative Front Tokyo Bay
Location	3-1-17, Ariake, Koto-ku, Tokyo, Japan
Builder	Konami Real Estate, Inc.
Site Area	11,155.82 m <sup>2</sup> (120,080 ft <sup>2</sup> )
Total Floor Area	56,477.95 m <sup>2</sup> (607,923 ft <sup>2</sup> )
Structure	8 Floors above Ground, 1 Floor beneath Ground
Scheduled Year of Completion	2025
Planning	Nikken Sekkei Ltd
Construction	TAISEI CORPORATION

## Corporate Data

Company Name	KONAMI GROUP CORPORATION
Headquarters	1-11-1, Ginza, Chuo-ku, Tokyo 104-0061, Japan Tel: 81-3-6636-0573 Fax: 81-3-6893-1573
Founded	March 21, 1969
Incorporated	March 19, 1973
Paid-in Capital	¥47,398 million
Consolidated Employees	8,941 (As of September 30, 2022) (Including temporary employees, converted at 160 hours per month)
Website	<a href="https://www.konami.com">https://www.konami.com</a>

## Shareholder Information

Fiscal Year-End	March 31
Ordinary General Meeting of Shareholders	June
Record Dates for Shareholders	Annual shareholders' meeting: March 31 Year-end dividend: March 31 Interim dividend: September 30 Other (when necessary): As announced in advance
Transfer Agent	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Location of Transfer Agent Handling Office	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 1-4-1, Marunouchi, Chiyoda-ku, Tokyo, Japan
Mailing Address	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency Department 2-8-4, Izumi, Suginami-ku, Tokyo 168-0063, Japan
Website	<a href="https://www.smtb.jp/english">https://www.smtb.jp/english</a>
Public Notices	Shown on the Company's website: <a href="https://www.konami.com/ir/en/">https://www.konami.com/ir/en/</a>
Stock Exchange Listings	Tokyo and London

## Stock Information (As of September 30, 2022)

Common Stock	
Authorized	450,000,000 shares
Issued	143,500,000 shares (Including 8,004,425 treasury shares)
Number of Shareholders	24,223

### The 10 Largest Shareholders

Shareholder	Shares (Thousands)	% of Total
The Master Trust Bank of Japan, Ltd. (Trust Account)	30,130	22.24
Kozuki Foundation	17,100	12.62
KOZUKI HOLDING B.V.	15,700	11.59
Custody Bank of Japan, Ltd. (Trust Account)	15,028	11.09
Kozuki Capital Corporation	7,048	5.20
MORGAN CHASE BANK 380815	6,530	4.82
KOREA SECURITIES DEPOSITORY-SAMSUNG	3,541	2.61
HSBC HONGKONG-TREASURY SERVICES A/C ASIAN EQUITIES DERIVATIVES	1,786	1.32
STATE STREET BANK AND TRUST COMPANY 505001	1,631	1.20
STATE STREET BANK WEST CLIENT - TREATY 505234	1,561	1.15

Note: The above shareholding ratios are calculated after the deduction of treasury shares.

### Guide to Investor Relations (IR) Site

Our website includes an IR section that provides easy access to our latest financial information, news releases, and other relevant IR information.

<https://www.konami.com/ir/en/>